

# Citizen Control of the Citizen's Business

TORONTO'S CITIZENS CAN CONTROL TORONTO'S AFFAIRS ONLY THROUGH FREQUENT, PROMPT, ACCURATE AND PERTINENT INFORMATION WITH REGARD TO TORONTO'S BUSINESS.

ISSUED BY THE

189 CHURCH STREET



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## The "New" Union Station The Proposed Viaduct The Harbour Situation and The Customs House

AN IMAGINARY LETTER FROM A HYPOTHETICAL CORRESPONDENT REPRESENTING  
A REAL VIEWPOINT AND ILLUSTRATED BY SOME OFFICIAL FIGURES.

Mr. ———,  
Toronto.

Dear Sir:—

Some months ago you asked me, as a newcomer to Toronto, to give you my impressions on the Harbour Front situation. Shortly after doing so, I decided to settle down, at least temporarily, in Toronto, with a view to making this the permanent headquarters of my business, if Toronto's obviously great advantages were not proved in practice to be offset by other great disadvantages. So far my experience has been satisfactory although the burden of local taxation is by no means light and will constitute an item by no means negligible in the overhead of my business. There is one point, however, which is giving me considerable concern and which, in my judgment, if not grappled with at once, will in the near future become a matter of painful concern to all taxpayers, which means of course, all residents.

A man may judge his condition by his appetite and the way he feels. Or he may submit himself to a thorough physical examination at the hands of a physician. His feelings and his stomach may tell him he is in a bad way and his physician may tell him that he is organically sound and that all he needs is a tonic. On the other hand, his feelings and his stomach may tell him that he is good for a hundred years, and his physician may tell him that he is due for a permanent breakdown in a year or two.

So it is with a civic undertaking. It may look all right on the superficial view while, on careful analysis, grave dangers may appear. On the other hand, it may look, on the face of things, as if it were heading for the rocks, while a careful examination may show clear water just ahead.

Recent news items in the Toronto press have tended to confirm the uneasy feeling I had when I first came to the City that all was not well with the financial end of the harbour scheme. It may be that an immediate beginning on grade separation on the waterfront and the imminent completion of the Welland Canal, both of which were confidently expected to have been finished long ere this, when the harbour development work was started, would cause a spectacular transformation in the prospects of the City's realizing fully, and in our generation, on its large investments in the harbour development scheme. The long view may ultimately justify itself, but the short view is not exceedingly reassuring. In my judgment, unless something practical is done on the basis of present conditions, the ultimate results which everyone has had enthusiastically in mind may be seriously jeopardized and within a comparatively short time all or a part of the interest and sinking fund charges may be transferred directly to the broad but bending backs of the taxpayers. If this were to happen, what would be the effect on Toronto business and industry, even now in unequal competition with the business and industry of other centres not so heavily burdened by local taxation?

Nothing is to be gained at this time by recrimination or bitter criticisms either of the practical work of carrying out the programme or the soundness of the views of those who originally promoted it. For years the programme has had both the moral and financial support of the City. The community can not unload its responsibility in either case, but it is the part of wisdom to examine the facts.

I have experienced great difficulty in securing direct information on matters of importance and am under the impression that, whether culpably or not, the citizens of Toronto have not been in touch, from the beginning until now, with detailed information which would have given them a clear understanding of actual conditions. If they had actually known the facts and realized their significance, a control might have been provided which would have lessened the extent of the capital expenditure. As it is, it may come as an unpleasant surprise to many taxpayers that, unless there is a rapid and radical change in conditions, they may find themselves obligated to the extent of \$1,000,000 a year, possibly, for harbour deficits. This will not include the City's share of local improvement work or other direct contributions from taxes. At the last meeting of the City Council, pavement work estimated at \$263,715 was authorized, of which \$21,306 is the amount paid directly by the City. The present diffuse form of municipal organization with a multiplicity of departments and "outside boards" makes it extremely difficult for the average citizen to get a clear picture of the City's financial problem as a whole. It will surprise many to learn that harbour deficits have accumulated as follows:—

To December 1st, 1917.....	\$ 297,466.96
Deficit for year 1918.....	208,693.71
“ “ “ 1919.....	549,012.05
“ “ “ 1920.....	657,689.77
“ “ “ 1921.....	874,173.36
“ “ “ 1922.....	1,040,557.77
Estimated deficit for 1923.....	1,187,173.60
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	\$4,814,767.22

#### Analysis of Total Deficit.

Debenture Interest .....	\$4,288,322.29
Debenture Discount .....	435,260.15
Debenture Expense .....	224,383.90
Provision for Redemption 50% Debenture Debt.....	1,038,097.37
Operating Loss (not, of course, including debt charges), (1923) estimated.....	30,051.29
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	\$6,016,115.00
Less Operating Surplus, 1913-1922.....	1,201,347.78
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Net Deficit .....	\$4,814,767.22

(In accordance with the terms of Section 38 of the Trust Deed, preparations were begun in 1918 for the gradual redemption of 50% of the Debenture Debt. If provision had been made for the redemption of 100%, even allowing for the amount of debenture discount charged against expenditure account, the total deficit to 1924 would be in excess of five million dollars.)

How these deficits came about in 1921 and 1922 appears from the table below. Corresponding figures for 1923 are not available.

#### Income and Expenditure Account, 1921 and 1922.

	1921	1922
<b>Income—</b>		
Rentals .....	\$ 175,857.62	\$ 203,265.26
Interest .....	39,160.53	63,711.10
Harbour Dues .....	6,005.85	8,727.27
Marine Licenses .....	3,220.00	3,026.00
Public Dock Dues .....	1,165.92	4,716.18
Sunnyside Pavilion .....	130,319.89	.....
Cafeteria .....	5,629.22	4,495.94
Garage .....	9,837.26	9,363.21
Cash Purchase Discounts .....	2,207.85	2,503.46
Dredge Cyclone Rental.....	179,672.81	.....
Sunnyside Concessions .....	142.75	91,044.74
Insurance Surplus .....	71.24	.....
Registration of Bonds.....	100.50	45.04
Options Expired .....	3,800.00	.....
Unclaimed Accounts Written off....	24.24	367.61
Plant Profit .....	.....	6,824.87
Construction and Administration Services .....	.....	18,037.98
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	\$ 557,215.68	\$ 416,128.66
<b>Expenditure—</b>		
Engineering Direction and Control..	\$ 14,774.82	\$ 5,612.98
Non-revenue producing services.....	11,715.71	22,366.31
Revenue-producing Services .....	273,983.81	207,696.87
Upkeep Property and Equipment....	31,997.26	25,682.34
Stores and Rotary, "Bethalma" and "Cyclone" .....	18,670.88	.....
Interest .....	2,454.27	24,288.76
Plant Profit and Loss.....	26,661.48	.....
Construction and Administrative Services .....	12,624.30	.....
Debenture Interest .....	689,047.40	803,115.00
Debenture Expense .....	84,160.67	17,986.79
Debenture Discount Reserve.....	82,467.44	82,467.44
Sinking Fund Reserve .....	182,831.00	234,000.00
Bad Accounts Written off.....	.....	3,443.91
Maintenance of Concession Area....	.....	3,521.38
Yacht "Bethalma" operation.....	.....	26,504.65
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	\$1,431,389.04	\$1,456,686.43
Deficit for year .....	874,173.36	1,040,557.77

It is not the past, however, but the future with which we have to deal as citizens. A recent report states that a lease of property at Ashbridge's Bay has been arranged whereby a factory to cost \$200,000 will be erected. This is encouraging and may be a harbinger of a flock of similar visitants; but if the slow development of the industrial area has been due, as claimed, for the most part to the delay in grade separation, the first practical step would seem to be to terminate the period of delay and secure immediate action. While there may have been other important causes of the relative stagnation on the harbour front, a removal of this cause, while not producing immediate prosperity, will place the Harbour Board in a position to take immediate advantage of the commercial revival which lies not far ahead. This is fundamental.

In a letter from the Harbour Board answering an enquiry from an alderman, costs of the Harbour development to March 1st, were quoted as follows:—

City's direct investment .....	\$ 2,251,728.44
City's investment through Harbour Commission's investment .....	20,209,722.77
Federal Government's investment .....	6,863,452.88

According to this letter, the Harbour administrative staff numbers 53, with a payroll list of \$120,658. All these figures indicate the seriousness of the problem.

Someone has said that in Ontario the creating of separate commissions and independent departments for various phases of city work has become so prevalent as almost to be termed a municipal inefficiency disease. This tendency is dangerous, not only on account of increased cost of overhead and of overlapping of effort, but of the fact that it renders it more difficult to obtain and more easy to withhold vitally important information. In Toronto there would seem to be a strong possibility that the taxpayer would benefit if the Harbour Commission, the Transportation Commission and the Hydro-Electric Commission were consolidated into a single Utilities Commission, with a Government appointee acting only when Harbour Board matters were under discussion.

I find Toronto very convenient for my type of business and I certainly hope that I shall not be chased out by increasing taxes.

Sincerely yours,

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